

# CORPORATE SUSTAINABILITY REPORT (10180)

Official Company Name:

Ferreycorp

Year:

2019

Website:

[www.ferreycorp.com.pe](http://www.ferreycorp.com.pe)

Official name of the reviewing firm: <sup>1</sup>

Ferreycorp S.A.A.

RPJ  
(Register of Legal Entities)

B60001

## Section A: Implementation of Corporate Sustainability actions

Question A.1	YES	NO	Explanation:
<i>Has the Company voluntarily adhered to standards of good practices in Corporate Sustainability?</i>	x		Ferreycorp promotes sustainable development through a socially responsible management model.

If the answer is yes, indicate the standard and compliance date

Standard	Compliance date
The United Nations Global Compact Network	February 2004
Association of Good Employers (AmCham, America Chamber of Commerce of Peru)	November 2007
Socially Responsible Company Distinction (Peru 2021)	January 2013
Dow Jones Sustainability Index	October 2017

If sustainability reports other than this report are prepared, indicate the following information:

These reports are prepared:	YES	NO
<i>Voluntarily</i>	X	
<i>Due to investor requirements</i>		X
<i>Due to requirement by public institutions</i>		X
<i>Others (list):</i>	On the recommendation of the Superintendence of the Securities Market (SMV in Spanish), the Lima Stock Exchange (BVL in Spanish), the Responsible Investment Program (PIR in Spanish), the Integrated Latin America Market (MILA in Spanish).	

Access to these reports can be obtained through:

<i>Superintendence of the Securities Market (SMV) portal</i>	
<i>Corporate website</i>	X
<i>Social networks</i>	
<i>Other / List</i>	

Question A.2	YES	NO	Explanation:
Does the Company have a corporate policy that considers the impact of its activities on the environment?	X		Ferreycorp has an Industrial Safety System, Occupational Hygiene and Environmental Management, based on the ISO 14001 standard.

a. If your answer to question A.2 is yes, indicate the Company document which regulates the policy and the body that approves it.

Document	Body
Integrated Corporate Safety, Health and Environment Policy	Health, Safety and Environment Committee and the CEO

b. Does the Company quantify greenhouse gas emissions produced by its activities (carbon footprint)?

YES  NO

If your answer is yes, indicate the results obtained:

(t CO <sub>2</sub> e)	Ferreycorp	Ferreyros	Unimaq	Orvisa	Fargoline	Motored
Scope 1*	239.22	649.89	98.06	138.49	40.00	27.34
Scope 2**	360.54	781.89	64.82	170.76	84.88	38.59

\* Emissions issued directly by the company  
 \*\* indirect emissions due to electric power consumption  
 The results correspond to the measurement made in 2017 in some headquarters of the aforementioned companies.

c. Does the Company quantify and document the total amount of energy used in its activities?

YES  NO

If your answer is yes, indicate the results obtained:

Total Ferreycorp: 7302.1 GJ	Total Motriza: 307.3
Total Ferreyros: 29,782.2 GJ	Total Motored: 1,731.0 GJ
Total Fargoline: 2,914.3 GJ	Total Soltrak: 1,490.3 GJ
Total Unimaq: 3,536.1 GJ	Total Orvisa: 1592.2 GJ

d. Does the Company quantify and document the total amount of water used (water footprint) in its activities?

YES  NO

If your answer is yes, indicate the results obtained:

Total Ferreycorp: 24,789.0 m3	Total Motriza: 1,486.5 m3
Total Ferreyros: 82,378.4 m3	Total Motored: 6064.4 m3
Total Fargoline: 4,392.6 m3	Total Soltrak: 7,093.8 m3
Total Unimaq: 19,153.7 m3	Total Orvisa: 6,098.4 m3

e. Does the Company quantify and document waste produced as a result of its activities?

YES  NO

If your answer is yes, indicate the results obtained:

Total Ferreycorp: 65.5 Tn	Total Motriza: 11.1 Tn
Total Ferreyros: 1,439.6 Tn	Total Motored: 69.3 Tn
Total Fargoline: 182.9 Tn	Total Soltrak: 26.1 Tn
Total Unimaq: 67 Tn	Total Orvisa: 13.2 Tn

Question A.3	YES	NO	Explanation:
Does the Company have a policy to promote and ensure its workers' fundamental principles and rights in the workplace? <sup>1</sup>	X		The Ferreycorp companies have a Code of Ethics, Internal Work Regulation and Policy against Harassment, Discrimination and Mobbing.

<sup>1</sup> According to the International Labor Organization (ILO) on Fundamental Principles and Rights at Work, adopted in 1998, the principles and rights fall into the following four categories: (i) freedom of association and the effective right to collective bargaining, (ii) the elimination of forced or compulsory labor, (iii) the abolition of child labor and, (iv) the elimination of discrimination in respect of employment and occupation.

a. If your answer to question A.3 is yes, please indicate the corporate document that regulates this policy and the body that approves this document.

There is a published Gender Equity Policy and the Selection and Recruitment Standard includes inclusion and non-discrimination clauses. Likewise, the Code of Ethics has a clause regarding free association.

Document	Body
1. Code of Ethics 2. Internal Work Regulation 3. Set of Human Resources Policies and Procedures Standards 4. Corporate Policy against Harassment, Discrimination and Mobbing. 5. Selection and Recruitment Policy 6. Selection and Recruitment Policy	1. Corporate Management of Corporate Affairs 2. Corporate Human Resources Management 3. Corporate Human Resources Management 4. Corporate Human Resources Management 5. Corporate Human Resources Management

b. Does the Company keep a record of work-related accidents?

YES  NO

If your answer is yes, indicate the area responsible for keeping the record and to whom the area reports.

Responsible Area	Reports to
Health, Safety and Environment	Corporate Human Resources Management

c. Does the Company have a training plan for its workers?

YES  NO

If your answer is yes, indicate the area of the Company that approves the plan and the frequency with which adherence to the plan is evaluated:

Body	Evaluation frequency
Corporate Human Resources Management	Each semester

d. Does the Company take surveys or make evaluations regarding the work environment?

YES  NO

If your answer is yes, indicate the results obtained:

The Work Environment Survey taken in 2018 at the corporate level showed the following results:  
 Average level of the corporation participation: 98%  
 Average level of the corporation commitment: 82%  
 Proportion of employees who feel proud to belong to Ferreycorp: 91%  
 The next Work Climate Survey will be conducted in 2020.

Question A.4	YES	NO	Explanation:
Does the Company have a policy that establishes basic guidelines for its relations with the communities with which it interacts?	X		Ferreycorp seeks to generate positive impacts in the communities, working mainly on two aspects that it considers important for its development: Education and sanitation.

a. If your answer to question A.4 is yes, indicate the Company document which regulates this policy and the body that approves this document.

Document	Body
Corporate Policy on Sustainable Development	Corporate Communication and Image Management

b. Has the Company encountered social conflicts (strikes, marches, etc.) in the community where it conducts its main activities as a consequence of its operations?

YES  NO

If your answer is yes, explain the impact of these social conflicts on the Company's activities.

c. Does the Company work in collaboration with the community in the joint creation of value, including the identification and solution of the main problems they have in common?

YES  NO

d. Does the Company invest in social programs in the community where it conducts its main activities?

YES  NO

If your answer is yes, indicate the percentage the investment in such programs represents with regard to gross revenue according to the Company's financial statements:

(%) Gross Revenue	0.03% approx.
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Question A.5	YES	NO	Explanation:
Does the Company have a policy that establishes basic guidelines for managing supplier relations?	X		Ferreycorp manages principles of transparency, fair treatment and mutual growth with its suppliers.

a. if your answer to question A.5 is yes, indicate the Company document which regulates this policy and the body that approves this document.

Document	Body
1. Code of Ethics 2. Regulation for contractors and suppliers' work and services 3. Standard for contractors and suppliers' work and services	1. Corporate Management of Corporate Affairs 2. Financial Services and Treasury Management 3. Central Security Committee

b. Does the Company keep an updated list of its suppliers?

YES  NO

If your answer is yes, indicate the area responsible for keeping the list and to whom the area reports.

Responsible Area	Depends on
Financial Corporate Management	Financial Corporate Management

c. Does the Company have a criterion for supplier selection that considers ethical matters and compliance with labor legislation?

YES  NO

d. Does the Company have a procurement or hiring policy on selecting suppliers that adhere to sustainable or environmental management standards?

YES  NO

Question A.6	YES	NO	Explanation:
Does the Company have a policy that establishes basic guidelines for managing customer relations?	X		Ferreycorp promotes mutually beneficial and long-term relationships with its customers.

a. If your answer is yes, indicate the Company document which regulates this policy and the body that approves this document.

Document	Body
1. Code of Ethics	1. Corporate Management of Corporate Affairs
2. Corporate Standard for the Management of the customer experience	2. Corporate Communication and Image Management
3. Corporate Standard for the Management of complaints and claims	3. Corporate Communication and Image Management

b. Does the Company keep an updated log of customer complaints?

YES  NO

Responsible Area	Reports to
Deputy Manager of Customer Experience Management	Corporate Business Management

c. Does the Company have regular channels for dealing with the public and for receiving suggestions and complaints related to the products and services it provides?

YES  NO

d. Has the Company received any recognition for the quality of its customer service?

YES  NO

If your answer is yes, indicate the recognitions received:

Among the subsidiaries representing Caterpillar, improvements continued within the CAT Excellence Programs, which involve customer service considerations as part of their evaluation:

- In the Service Excellence program, the Gold distinction granted to Ferreyros stands out, as well as the Silver distinction granted to Unimaq, Orvisa, Gentrac and General de Equipos.
- In the Rental Operation Certification program, the Gold distinction granted to the main subsidiary, the Silver distinction granted to Unimaq, and the Bronze distinction granted to Gentrac stand out.
- In the Used Operation Certification program (Excellence in the Provision of Used Machinery), the Gold distinction awarded to Ferreyros stands out.
- In the Digital Excellence program, it is worth mentioning the Silver distinction awarded to Ferreyros, as well as the Bronze distinction awarded to Gentrac and General de Equipos.
- In the Parts Excellence program, Ferreyros was awarded a Gold distinction, Gentrac a Silver distinction, and Orvisa and General de Equipos a Bronze distinction.

The following certifications are also worth mentioning:

- Ferreyros is ISO 9001:2015 certified for critical repair processes in workshops and laboratory services at its main operating site, located on Av. Likewise, it has this certification for the failure analysis processes in La Joya headquarters, in Arequipa.
- The two Ferreyros Component Repair Centers (CRC), located in Lima and Arequipa, are certified by Caterpillar as World Class Workshops.
- Unimaq has the ISO 9001:2015 certification for commercialization processes and after-sales service of Caterpillar machinery, including generators and forklifts, in its locations in Lima, Cajamarca and Arequipa, as well as for the rental processes of all its lines.
- Soltrak has the ISO 9001:2015 certification in the commercialization of industrial safety products, lubricants and tires.
- Fargoline has the ISO 9001:2015 certification for all its services.



## **Section B: Details of actions Implemented by the Company**

The information concerning the management of the Ferreycorp corporation regarding sustainability during the year 2019 is contained in the Annual Integrated Report of said year.